

ANNUAL FUNDING NOTICE

For

The University of Chicago Retirement Income Plan for Employees

Introduction

This notice includes important information about the funding status of your single employer pension plan (“the Plan”). All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2021 and ending December 31, 2021 (“Plan Year”).

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funding target attainment percentage”. The Plan divides its Net Plan Assets by Plan Liabilities to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s Funding Target Attainment Percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also shows you how the percentage was calculated.

Funding Target Attainment Percentage			
	2021	2020	2019
1. Valuation Date	01/01/2021	01/01/2020	01/01/2019
2. Plan Assets			
a. Total Plan Assets	\$405,662,863	\$399,010,170	\$399,629,802
b. Funding Standard Carryover Balance	\$0	\$0	\$0
c. Prefunding Balance	\$0	\$0	\$0
d. Net Plan Assets = (a) – (b) – (c)	\$405,662,863	\$399,010,170	\$399,629,802
3. Plan Liabilities	\$420,249,419	\$434,431,716	\$423,417,313
4. Funding Target Attainment Percentage = (2d)/(3)	96.52%	91.84%	94.38%

Plan Liabilities

Plan Liabilities in line 3 of the chart above are estimates of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the plan.

Year-End Assets and Liabilities

The asset values in the chart above are measured as of the first day of the Plan Year. They also are “actuarial values”. Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan’s funded status at a given point in time. As of December 31, 2021, the fair market value of the Plan’s assets was \$453,106,780. On this same date, the Plan’s liabilities, determined using market rates, were \$510,551,193.

Supplemental Information

This is a temporary supplement to your annual funding notice. It is required by the Moving Ahead for Progress in the 21st Century Act (MAP-21), the Highway and Transportation Funding Act of 2014 (HATFA), the Bipartisan Budget Act of 2015 (BBA15) and the American Rescue Plan Act of 2021 (ARPA). These federal laws changed how pension plans calculate their liabilities. The purpose of this supplement is to show you the effect of these changes. Prior to 2012, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, your employer may contribute less money to the plan at a time when market interest rates are at or near historical lows.

The “Information Table” compares the effect of using interest rates based on the 25-year average (the “adjusted interest rates”) and interest rates based on a two-year average on the Plan’s: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. The funding shortfall is the amount by which liabilities exceed net plan assets. The minimum required contribution is the amount of money an employer is required by law to contribute to a plan for a given year. The following table shows this information determined with and without the adjusted interest rates. The information is provided for the Plan Year and for each of the two preceding plan years, if applicable.

INFORMATION TABLE						
	2021		2020		2019	
	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates
Funding Target Attainment Percentage	96.52%	80.12%	91.84%	81.23%	94.38%	78.96%
Funding Shortfall	\$14,586,556	\$100,622,624	\$35,421,546	\$92,156,055	\$23,787,511	\$106,481,023
Minimum Required Contribution	\$1,360,073	\$8,307,077	\$7,369,673	\$16,180,450	\$4,834,820	\$17,620,087

Participant Information

The total number of participants in the plan as of the beginning of the plan year is as follows:

	2021	2020	2019
Active participants	3,279	3,492	3,792
Retired or separated from service and receiving benefits	1,940	1,982	1,935
Retired or separated from service and entitled to future benefits	5,785	6,761	6,795
Total Participants	11,004	12,235	12,522

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to contribute at least the ERISA minimum required contribution. The University may contribute additional amounts to attain certain funded status targets.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions.

Under the investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Stocks	51.10%
2. Investment grade debt instruments	47.60%
3. High-yield debt instruments	0.00%
4. Real estate	0.00%
5. Other	1.30%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500". These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefits. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

Where to Get More Information

Your plan is sponsored by The University of Chicago. If you would like more information about the funding of your plan, contact the plan administrator:

University

Benefits Office
The University of Chicago
6054 South Drexel Avenue
Chicago, IL 60637
(773) 702-9634 (Phone)
(773) 834-0996 (Fax)
benefits@uchicago.edu (E-mail)
hr.uchicago.edu (Web site)

Medical Center

Pension Service Center
The University of Chicago Medicine
P.O. Box 981911
El Paso, TX 79998
1-844-368-1919 (Phone)
www.eepoint.com/uofc (Web site)

For identification purposes, the official plan number is 002 and the plan sponsor's name and employer identification number or "EIN" is The University of Chicago and 36-2177139.